



K. Chad Burgess
Director & Deputy General Counsel

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January 16, 2018

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Friends of the Earth and Sierra Club, Complainant/Petitioner v. South Carolina
Electric & Gas Company, Defendant/Respondent
Docket No. 2017-207-E

South Carolina Office of Regulatory Staff – Request for Rate Relief to South
Carolina Electric & Gas Company's Rates Pursuant to S.C. Code Ann. §58-27-920
Docket No. 2017-305-E

Dear Ms. Boyd:

On January 11, 2018, the South Carolina Office of Regulatory Staff ("ORS") provided the Public Service Commission of South Carolina ("Commission") with a copy of a letter dated January 9, 2018, from Governor McMaster to Jimmy Addison, SCANA Corporation's Chief Executive Officer. ORS's communication was filed in the above-referenced dockets.

The purpose of this letter is to inform the Commission that by letter dated January 12, 2018, Mr. Addison responded to Governor McMaster. Enclosed for filing in the above-referenced dockets is a copy of Mr. Addison's letter. While not enclosed with this letter, please be advised that Mr. Addison also provided Governor McMaster with a copy of the Joint Application and Petition filed in Docket No. 2017-370-E by South Carolina Electric & Gas Company and Dominion Energy, Inc.

If you have any questions or need additional information, please do not hesitate to contact us.

Very truly yours,

K. Chad Burgess

KCB/kms
Enclosure

cc: Jeffrey M. Nelson, Esquire
Shannon Bowyer Hudson, Esquire
Christopher R. Koon, Esquire
Christopher S. McDonald, Esquire
Frank R. Ellerbe III, Esquire
J. Blanding Holman IV, Esquire
James R. Davis, Esquire
John H. Tiencken Jr., Esquire
Michael N. Couick, Esquire
Michael T. Rose, Esquire
Robert Guild, Esquire
W. Andrew Gowder, Jr., Esquire
Alexander G. Shissias, Esquire
Damon E. Xenopoulos, Esquire
Derrick Price Williamson, Esquire
Dino Teppara, Esquire
Elizabeth Jones, Esquire
Frank Knapp, Jr.
J. Emory Smith, Esquire
John B. Coffman, Esquire
Lara B. Brandfass, Esquire
Lynn Teague
Richard L. Whitt, Esquire
Robert D. Cook, Esquire
Robert E. Tyson, Jr., Esquire
Scott Elliott, Esquire
Stephanie U. Eaton, Esquire
Stephen Suggs, Esquire
Timothy F. Rogers, Esquire
(all via electronic mail and First Class U.S. Mail)



Jimmy E. Addison
Chief Executive Officer

January 12, 2018

The Honorable Henry McMaster
Governor of the State of South Carolina
1100 Gervais Street
Columbia, South Carolina 29201

Dear Governor McMaster:

Thank you for your letter dated January 9, 2018.

On behalf of the many dedicated employees and linemen at SCE&G, we appreciate your heartfelt recognition of their ongoing and timeless efforts to maintain the delivery of safe and reliable electric service to the Company's customers during the recent severe weather that struck South Carolina. Our employees and linemen leave their families and loved ones and brave sometimes terrible weather conditions to get customer homes and lives back to normal as quickly and safely as possible. This dedication is a true testament of the concern that SCE&G and its employees have for our customers. SCE&G's employees care for each other and pass this concern onto each customer every day as the Company provides safe and reliable electric service.


As a further reflection of the Company's ongoing concern for its customers, I am enclosing a copy of the Joint Application and Petition of SCE&G and Dominion Energy, Inc. filed today with the Public Service Commission of South Carolina. We believe this proposed transaction is very much in the best interests of SCE&G's customers. Principally, the proposed transaction will provide customers with the following rate benefits upon approval by the Commission:

- An immediate, one-time rate credit to SCE&G's customers totaling \$1.3 billion, which translates to an estimated \$1,000 per residential customer on average.
- An immediate reduction in customer rates of at least 5%, equal to more than \$7 per month for a typical residential customer, primarily funded by the creation of a \$575 million refund pool.
- A write-off of \$1.4 billion in costs and \$320 million in regulatory assets related to the V.C. Summer Project, thus removing any future customer obligation for \$1.7 billion in V.C. Summer Project costs.
- Purchase of a \$180 million natural gas-fired plant in Calhoun County that will be absorbed by shareholders and not collected in rates.
- Removal from customer rates after 20 years of amounts related to nuclear unit construction at V.C. Summer.
- A freeze of retail electric base rates until at least January 1, 2021, thereby facilitating rate stability.

Furthermore, we are requesting that the Public Service Commission give expedited consideration to this Joint Application and Petition so that Dominion and SCE&G may begin providing these significant benefits to our customers upon the Commission's approval of the proposed transaction.

Thank you again for your recognition of SCE&G's employees and linemen, and thank you for your service to all of South Carolina's wonderful citizens. If you have any questions, or if I can be of further assistance, please call me.

Very truly yours,

A handwritten signature in black ink that reads "J E Addison". The signature is stylized, with the first and last names being more legible than the middle initial.

Jimmy E. Addison

by JEP